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C O N F I D E N T I A L STATE 293852

E.O. 11652: GDS

TAGS: PFOR

SUBJECT: MORNING SUMMARY OF SIGNIFICANT REPORTS

1. OPEC REVIEW

A. "OAPEC DID NOT DISCUSS PRICES"

SECRETARY GENERAL OF THE ORGANIZATION OF ARAB PETROLEUM
EXPORTING COUNTRIES ATEEQA FLATLY STATED THAT THE NOVEMBER
23-24 OAPEC CONFERENCE DID NOT DISCUSS OIL PRICES.

EMBASSY KUWAIT NOTES THAT THIS DOES NOT MEAN THAT THE
SUBJECT DID NOT COME UP IN THE CORRIDORS. SOME OF THE
OIL MINISTERS NONETHELESS GAVE THEIR THOUGHTS ON PRICING:

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--LIBYA: 26.2 PERCENT IS THE PROPER INCREASE.

--QATAR: THAT WOULD BE NICE, BUT 15 PERCENT WILL DO.

ABU DHABI: THE INCREASE SHOULD BE LIMITED TO 10 PERCENT, TO PREVENT A NEGATIVE IMPACT ON THE WORLD ECONOMY AND TO AVOID GIVING THE WRONG SIGNAL TO THE NEW US ADMINISTRATION.

ABU DHABI'S OTEIBA ALSO TOLD THE PRESS THAT THE OPEC CONFERENCE WOULD BE DELAYED TO DECEMBER 20 TO ALLOW CERTAIN ARAB OIL MINISTERS TO ATTEND THE CIEC IN PARIS.
(LIMITED OFFICIAL USE) KUWAIT 5583, 11/29

B. NIOC WANTS OUR FIGURES

THE NATIONAL IRANIAN OIL COMPANY (NIOC) ASKED EMBASSY TEHRAN FOR INFORMATION ON THE IMPACT OF VARIOUS OIL PRICE INCREASES ON THE WORLD ECONOMY. IT IS THE EMBASSY'S UNDERSTANDING THAT JAMSHID AMOUZEGAR, IRAN'S REPRESENTATIVE TO OPEC, HAS TAKEN A HARD LINE ON OIL PRICES AND THAT NIOC WANTS REPUTABLE FIGURES ON THE IMPACT OF A MAJOR INCREASE TO COUNTER AMOUZEGAR'S LIKELY RECOMMENDATION TO THE SHAH. (CONFIDENTIAL) TEHRAN 11981, 12/1

2. EUROPEAN COUNCIL DISCUSSES ECONOMIC SITUATION

THE EUROPEAN COUNCIL, MEETING IN THE HAGUE NOVEMBER 29-30, DISCUSSED THE COMMUNITY'S ECONOMIC AND MONETARY SITUATION. THE DISCUSSION WAS BASED ON A SOMBER REPORT FROM THE EC COMMISSION WHICH NOTED:

--NO IMPROVEMENT IN THE ECONOMIC SITUATION OCCURRED IN MOST OF THE EC NINE DURING THE LAST FEW MONTHS.

--THERE WAS SLACK INCREASE IN CONSUMER AND INVESTMENT DEMAND AND IN INDUSTRIAL PRODUCTION, AN ACCELERATED INFLATION RATE, A SLIGHT DROP IN CYCLICAL UNEMPLOYMENT, AND A DECELERATED GROWTH OF WORLD TRADE VOLUME.
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--AN OIL PRICE RISE WOULD CAUSE FURTHER DETERIORATION IN THE WORLD ECONOMIC SITUATION AND SERIOUSLY ENDANGER RECOVERY.

UK PRIME MINISTER CALLAGHAN TOLD THE PRESS THE TALKS HAD BEEN STRONGER ON ANALYSIS THAN ON ANSWERS BUT STRESSED THE NINE'S STRONG DESIRE TO WORK TOGETHER TO TACKLE

UNEMPLOYMENT AND INFLATION. HE ALSO SAID A CONSENSUS HAD BEEN REACHED THAT A RISE IN OIL PRICES WOULD HAVE AN UNFAVORABLE IMPACT ON THE ECONOMIES OF THE INDUSTRIALIZED WORLD BUT THAT THERE HAD NOT BEEN ANY DECISION TO MAKE A COLLECTIVE REPRESENTATION TO OPEC. (LIMITED OFFICIAL USE) THE HAGUE 6635, 12/1

3. GUYANA: BURNHAM FRUSTRATED

EMBASSY GEORGETOWN REPORTS THAT PRIME MINISTER BURNHAM APPEARS TO REGRET HIS ATTACKS ON THE US OVER THE CUBANA CRASH. IN RECENT DAYS, BURNHAM:

--SAID HE DEPLORED THE CURRENT STATE OF US-GOG RELATIONS AND DID NOT WISH TO CONTINUE THE CONFRONTATION; AND

--EXCORIATED THE SOVIET AMBASSADOR FOR SUPPORTING AN OPEC PRICE RISE.

INFORMED SOURCES REPORT THAT THE PRIME MINISTER IS OBSESSED WITH GUYANA'S ECONOMIC PROBLEMS AND DISTRESSED OVER THE INABILITY OF GUYANA TO SECURE SUBSTANTIAL ASSISTANCE FROM ABROAD.

EMBASSY COMMENT: BURNHAM HAS PAINTED HIMSELF INTO A CORNER. HOW HE WILL MUDDLE THROUGH THIS TIME IS DIFFICULT TO DETERMINE. (CONFIDENTIAL) GEORGETOWN 2409, 11/30

4. THAILAND DECIDES REFUGEES CAN STAY

EMBASSY BANGKOK REPORTS THAT THE THAI NATIONAL SECURITY COUNCIL DECIDED ON NOVEMBER 30 THAT CAMBODIAN REFUGEES IN

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THAILAND WILL NO LONGER BE FORCIBLY REPATRIATED. THE EMBASSY HAS ALSO RECEIVED CONFIRMATION THAT THOSE REPATRIATED ON NOVEMBER 23 WERE KILLED IMMEDIATELY BY THE KHMER ROUGE.

EMBASSY COMMENT: WHILE THE THAIS ARE STILL WORRIED ABOUT COMMUNIST AGENTS AMONG THE 80,000 INDOCHINESE REFUGEES, THEY ARE CLEARLY NOT PROUD OF WHAT HAPPENED ON NOVEMBER 23. (CONFIDENTIAL) BANGKOK 32660, 12/1. ROBINSON

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